



MEMORANDUM

TO: Honorable Mayor, Members of the City Council and the Public

FROM: Councilmember Janani Ramachandran

DATE: June 9, 2026

SUBJECT: Request that Administration provide an Informational Report on the Implementation and Performance of the City of Oakland's Prompt Payment Policy

EXECUTIVE SUMMARY

This report requests that the Administration present an overview of how the City's Prompt Payment Policy is functioning in practice. The intent is to evaluate whether the policy is meeting its goals of ensuring timely payments to vendors, contractors, and service providers, and to identify any operational challenges of areas for improvement.

BACKGROUND/LEGISLATIVE HISTORY

The City Council adopted A Prompt Payment Ordinance [No. 12857 C.M.S.](#) established on January 15th, 2008, Chapter 2.06 of the Oakland Municipal Code (OMC). The purpose of the Prompt Payment Ordinance is to establish policies and procedures to ensure that local vendors receive prompt payment and to increase local business contracting opportunities with the City of Oakland.

On November 19, 2014, Council [Ordinance 13269 C.M.S.](#) amended OMC Chapter 2.06 to expand eligibility for this program to local grant recipients to promote timely and equitable payments practices, support small and local businesses, and improv the City's financial accountability. Small businesses are the lifeblood of our city; timely payment is critical for small businesses and nonprofits organizations that provide direct services to our youth and young adults that are typically underfunded and rely on predictable cash flow to sustain operations.

ANALYSIS AND POLICY ALTERNATIVES

To better understand the effectiveness of the policy, the requested report should include the following:

- Average time to process and issue payments across departments
- Percentage of payments made within required timelines

Finance and Management Comittee
June 9, 2026

- Number and value of late payments
- Cause of delays in payment processing
- Departmental compliance rates
- Impacts on small, disadvantaged local business enterprises
- Any penalties, interest payments or corrective actions taken
- Recommendations for improving efficiency and accountability

PUBLIC INTEREST

Understanding prompt payment performance is of significant interest to vendors, contractors, and community-based organizations that rely on timely payments from the City of Oakland

COORDINATION

Preparation will require coordination between the Finance Department, Contracting and Purchasing and other relevant departments.

FISCAL IMPACT

This informational report has no direct fiscal impact. Findings may inform future policy or operational changes with fiscal implication

SUSTAINABLE OPPORTUNITES

Supports local businesses and nonprofits through improved cash flow stability. Social Equity: Promote equitable treatment and sustainability of small and disadvantaged vendors.

RECOMMENDATION

Receive an information report on an Informational Report on the Implementation and Performance of the City of Oakland's Prompt Payment Policy

Respectfully submitted:

Iris Merriouns – Chief of Staff to *Councilmember Ramachandran* District 4